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28 February 1968

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MEMORANDUM FOR: EA/OER

SUBJECT : Comments on the 27 February Draft
Report to Chairman, Step 4 Economic
Working Group, Department of State

1. In the interests of accuracy, the memorandum should include reference to the military-economic intelligence production responsibilities of OSR, placing them somewhere between the concentrated interests of OER and the relatively marginal concerns of offices such as OCI, ONE, and OBG. I believe failure to do so would be a serious omission in the memorandum, although I understand why you left it out in the draft. You are right in understanding that the exclusively military aspects of OSR's activity will be included in the findings of another Working Group.

2. I suggest paragraph 3 be amended to include the following sentence after the first sentence of the paragraph: "The production of finished military-economic intelligence is performed by the Office of Strategic Research (OSR), which has an important, special interest in the military aspects of economic reporting." The paragraph as a whole would then read as follows:

"3. In CIA the mission of producing finished intelligence is implemented primarily by the Office of Economic Research (OER), which is therefore the major consumer of economic reporting in the Agency. The production of finished military-economic intelligence is performed by the Office of Strategic Research (OSR), which has an important, special interest in the military aspects of economic reporting. Other offices of the Agency, such as the Office of Current Intelligence (OCI) and the Office of National Estimates (ONE), are concerned with economic intelligence to some degree. As

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manager of the National Intelligence Survey (NIS) program, the Office of Basic and Geographic Intelligence (OBGI) has a major responsibility for the scheduling, review and publication of the NIS program, but depends on contributors, such as OER and other components of the US government to research and write the economic chapters of the NIS."

3. I also suggest the word "policies," in the last line on page 2, be changed to "programs."

4. Please add the following sentence to the end of paragraph 5: "OSR, in particular, depends heavily on technical collection as a major source of information for military-economic analyses."

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Director
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